

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

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Public Services - Industries and Commerce Department - Allegation of Corruption against Sri S.Shankar Narayana, the then Assistant Director of Mines and Geology, Yerraguntla, Kadapa District office of the Director of Mines and Geology, Andhra Pradesh, Hyderabad - Sanction of Prosecution - Orders - Issued.

INDUSTRIES AND COMMERCE (VIGILANCE) DEPARTMENT

G.O Ms. No.73.

Dated:02.04.2014

ORDER:

Whereas as per the orders of the Hon'ble High Court of Andhra Pradesh, Hyderabad, Central Bureau of Investigation, Anti Corruption Bureau, Hyderabad branch registered the case RC.19(A)/2011-CBI-Hyderabad on 17-08-2011, U/s 120-B, r/w 420, 409, 420 & 477-A and 13(2) r/w 13(1) (c) & (d) of P.C Act 1988 against Sri Y.S.Jagan Mohan Reddy, MP (Cuddapah Lok Sabha Constituency) and 73 others and the Director/Promoters of other unknown companies (72), unknown public servants of Government of Andhra Pradesh (73) and unknown others.

2. And, whereas, Late Y.S.Rajasekhara Reddy was the then Chief Minister of Andhra Pradesh from May, 2004 to 2009 and from mid 2009 to till his death on 02.09.2009, Sri Y.S.Jagan Mohan Reddy is the Son of Late Y.S.Rajasekhara Reddy.

3. And, whereas, Sri Y.S.Jagan Mohan Reddy, owned number of business units in sectors, like Real Estate (M/s.Silicon Builders), Power, (M/s.Sandur Power Company Limited) Media (M/s.Jagathi Publications) etc., including M/s.Raghuram Cements (RCL) presently known as M/s.Bharathi Cement Corporation (P) Limited, (BCCPL). He has joined Board of Directors of Raghuram Cements Limited as Director on 01.12.2006.

4. And, whereas, Sri Y.S.Jagan Mohan Reddy has taken over the company M/s Raghuram Cements Limited, which is subsequently changed as M/s Bharathi Cements Corporation Limited and M/s. Bharathi Cements Corporation Private Limited, Sri Y.S.Jagan Mohan Reddy has got mines, licenses and permission by violating norms and by misusing the public office occupies by his father and then download the shares in the market for unusually inflated prices.

5. And, whereas, Sri V.Vijay Sai Reddy was the Auditor of Sri Y.S.Jagan Mohan Reddy. The association started from the time of Late Y.S.Raji Reddy grand father of Sri Y.S.Jagan Mohan Reddy and continued through the period of Late Y.S.Rajasekhara Reddy.

6. And, whereas, M/s Raghuram Cements Limited (RCL)/Bharathi Cement Corporation Private Limited, (BCCPL) (herein after called as M/s.RCL) is presently known as M/s Bharathi Cement Corporation Limited (M/s.BCCL)/M/s.Bharathi Cement Corporation (P) Limited, (herein after called as M/s. BCCPL) (after purchase of shares by M/s.Parthim). Sri Y.S.Jagan Mohan Reddy has represented M/s.Raghuram Cements Limited till 2010. Sri Jella Jagan Mohan Reddy and Sri Harish C.Kamarthy are other Directors.

7. And, whereas, Sri Jella Jagan Mohan Reddy is close associate of Sri Y.S.Jagan Mohan Reddy. As narrated above, he is one of the Directors of M/s Sandur Power Company Limited, M/s Jagathi Publications, M/s Raghuram Cements Limited / Bharathi Cement Corporation (P) Limited and also played active role in the matters of M/s. Raghuram Cements Limited.

8. And, whereas, Sri V.D.Rajgopal worked as Director Mines and Geology from 01.08.2005 to till 20.03.2010 and retired on 30.06.2011.

9. And, whereas, Sri V.M.Prabhushettar was the then Regional Controller of Mines and Controller of Mines, Zonal Office (South Zone), Indian Bureau of Mines, Bangalore from August 2005 and got retirement on 31.05.2007.

12. And, whereas, the sections of the MMDR Act, 1957 and rules of MCR, 1960 are self explanatory. The details of application for revision, availability of areas for regrant to be notified are mentioned vide Rule 54 to 59 of the MC Rules, 1960. Application for Revision (1) Any person aggrieved by any order made by the State Government or other authority in exercise of the powers conferred on it by the Act or these Rules may, within 3 months of the date of communication of the order to him apply to the Central Government in triplicate in Form N, for revision of the order XXXX... The other rules from 55 to 59 are mentioned in the MCR 1960.

13. And, whereas, the areas under T.Sunkesula, Pandilapalli, Nallalingayapalli Villages etc., contained Limestones reserves. The said villages are in Yerraguntla and Kamalapuram Mandals of Kadapa District. The limestone reserves of the subject case matter exist in nearly 2037.52 Acres of area falling in the areas of the aforesaid villages etc.

14. And, whereas, the Government of Andhra Pradesh vide G.O. Ms. No.371, dt.11.07.2000 granted Prospecting Licence over an extent of 22.03 sq. kms in Sy.Nos.215/1, 215/2 etc. in Tippaluru, T.Sunkesula etc. villages of Kamalapuram and Yerraguntla Mandals, Kadapa District to M/s Gujarat Ambuja Cements Limited (M/s.GACL). The lease deed was executed for prospecting licence vide dt.13.09.2000.

15. And, whereas, M/s Gujarat Ambuja Cements Limited spent nearly Rs.2.90 crores towards prospecting the area including drilling activity to identify the quality and quantity of limestone reserves and other related studies. However, the Prospecting Report work could not be completed within 2 years of the Prospecting Licence period.

16. And, whereas, since Gujarat Ambuja Cements Limited had applied to the Government on 12.06.2002 for extension of the Prospecting Licence for two more years. The Prospecting Licence period was due for expiry by September 2002. However, the Government has not given any reply either for extension or for rejection or for renewal of Prospecting Licence.

17. And, whereas, during 2005, during one of the meetings, the then Chief Minister Late Y.S.Rajasekhara Reddy, Instructed Sri V.D.Rajgopal, the then Director Mines and Geology to advise his son Sri Y.S.Jagan Mohan Reddy, for locating suitable limestone area for setting up cement plant by his son Sri Y.S.Jagan Mohan Reddy in Kadapa District. In that connection, one Sri J.J.Reddy used to meet Sri V.D.Rajgopal (A-5). As such, M/s.Raghuram Cements Limited/ Bharathi Cement Corporation Private Limited belongs to Sri Y.S.Jagan Mohan Reddy and Sri J.J.Reddy, has actively supported Sri Y.S.J.M.Reddy in all his fraudulent activities. They are keen to set up Cement Plant in Kadapa District. In view of the said instruction, Sri V.D.Rajgopal suggested Sri J.J.Reddy to contact the District level / Regional level officials of Mines and Geology office i.e., Assistant Director of Mines and Geology/Deputy Director of Mines and Geology/Joint Director of Mines and Geology etc for guidance etc.

18. And, whereas, during 2005, the Government of Andhra Pradesh all of a sudden, has decided to reject the renewal application dated 12.06.2002 submitted by M/s. Gujarat Ambuja Cements Limited. The related matter is available in File No.16794/M.III/2005-2.

19. And, whereas, the Government vide Memo.No.16794 dt.21.09.2005 had issued to M/s Gujarat Ambuja Cements Limited under Rule 12 (1) of MCR, 1960 regarding the proposal for rejection of request for renewal of Prospecting Licence.

20. And, whereas, Sri B.Kripanandam Secretary to Government without considering the request of M/s Gujarat Ambuja Cements Limited, issued Memo.16794 dt.31.10.2005 informing the rejection of application of M/s Gujarat Ambuja Cements Limited for grant of renewal of Prospecting Licence for limestone over an extent of 22.03 sq. kms. In T.Sunkesula Village etc of Yerraguntla and Kamalapuram Mandals of Kadapa District.

21. And, whereas, as part of pre hatched criminal conspiracy, the Government of AP has rejected the renewal application of M/s Gujarat Ambuja Cements Limited by showing the lame excuses i.e. non-submission of prospecting report etc. and by circumventing the rules

22. And, whereas, Sri Jella Jagan Mohan Reddy (J.J.Reddy), during October/1st week of November 2005 in pursuance of the criminal conspiracy approached Sri D.Lakshmi Kantham etc. of M/s Raghuram Cements Private Limited. He has got the name changed as M/s Raghuram Cements Limited. At the instance of Sri J.J.Reddy, Sri V.R.Vasudevan has signed the Mining Lease application for the said limestone reserves area of 2037.52 acres. Sri J.J.Reddy has submitted the Mining Lease application at the Assistant Director of Mines and Geology office, Yerraguntla on 21.12.2005.

23. And, whereas, consequent to the rejection of the renewal application of Gujarat Ambuja Cements Limited, Sri S.Shankar Narayana, Assistant Director of Mines and Geology, Yerraguntla, in violation of MC Rules-1960, fraudulently with reference to the said memo, has initiated the process of issuance of Gazette Notification. The Gazette Notification was published under his name on 21.11.2005 by mentioning to apply for Mining Lease in respect of M.Dbul Reddy and Prospecting Licence in respect of M/s Gujarat Ambuja Cements Limited.

24. And, whereas, Sri S.Shankar Narayana fraudulently in pursuance of criminal conspiracy entered with Sri J.J.Reddy, Sri Y.S.Jagan Mohan Reddy (through Sri J.J.Reddy) and in abuse of his official position as Public Servant issued notification during the time limit of 3 months which is against the rule.

25. And, whereas, Sri J.J.Reddy for M/s Raghuram Cements Limited had submitted application (signed by Sri V.R.Vasudevan) dated.21.12.2005 by applying for mining lease for limestone reserve area in T.Sunkesula, village etc for an extent of 2037.52 acres. Sri S.Shankar Narayana, Assistant Director of Mines and Geology, has given acknowledgment vide ACK No.2555/05 dated.21.12.2005. The application also contained a Bank Challan dated.20.12.2005 for Rs.3,500/-. Sri J.J.Reddy signed the said challan in token of having deposited the said amount in SBI, Kamalapuram.

26. And, whereas, Sri J.J.Reddy of M/s SPIL had submitted application dt.21.12.2005. M/s SPIL applied for Mining Lease for limestone of the same village for the same extent of 2037.52 acres. Sri S.Shankar Narayana, Assistant Director of Mines and Geology, has given acknowledgment vide ACK No.2556/05 dated.21.12.2005. Sri J.J.Reddy, representing M/s SPIL on behalf of Sri Y.S.Jagan Mohan Reddy has submitted the list of Board of Directors which contained the names of Directors viz., Sri Y.S.Jagan Mohan Reddy and Sri J.J.Reddy. Both the applications were submitted for mining Lease of the said limestone reserve area though the notification is for Prospecting Licence only. Thereby the applications are invalid. Sri J.J.Reddy has submitted both the applications of M/s Raghuram Cements Limited and M/s SPIL. He used to come to Assistant Director of Mines and Geology, Yerraguntla office and to meet the Assistant Director of Mines and Geology, Sri S.Shankar Narayana in connection with Mining Lease application matter of T.Sunkesula area. Application of M/s.SPIL is nothing but dummy application. Technically the application of M/s.Raghuram Cements Limited is separate entity. There are no two (2) applications i.e. Raghuram Cements Limited and SPIL and both belong to Sri Y.S.Jagan Mohan Reddy. Hence both the applications should have been rejected by the Assistant Director of Mines and Geology /Director of Mines and Geology/Mines.III Department. However, Sri S.Shankar Narayana in pursuance of the criminal conspiracy with Sri J.J.Reddy dishonestly accepted both the applications. Sri S.Shankar Narayana in pursuance of the criminal conspiracy, dishonestly, has not looked into the said aspect, since it was pre-decided one to grant Mining Lease to Sri Y.S.J.M.Reddy under any circumstance, as he happened to be the son of the then Chief Minister of A.P, Late Y.S.Rajasekhara Reddy and wanted to grab the said limestone area.

27. And, whereas, the GEQD vide Report No.CH-111/2013 dt.06.09.2013 has given positive opinion in respect of the signature of Sri J.J.Reddy.

28. And, whereas, Sri S.Shankar Narayana, Assistant Director of Mines and Geology, has submitted combined proposal to the Director of Mines and Geology, Hyderabad in respect of M/s Raghuram Cements Limited and SPIL, after conducting inspection on 29.12.2005 alongwith the Surveyor, Office of the Assistant Director of Mines and Geology, Kadapa. He

29. And, whereas, Sri S.S.Shankar Narayana Assistant Director of Mines and Geology Yerraguntla dishonestly accepted the application of M/s Raghuram Cements Limited which has applied for Mining Lease when the notification is for Prospecting Licence and though M/s Raghuram Cements Limited has not prospected the T.Sunkesula area prior to submission of their application for Mining Lease. On the other hand he has dishonestly mentioned that the area has been prospected earlier, in order to cause wrongful gain to M/s.Raghuram Cements Limited. Thereby Sri Y.S.Jagan Mohan Reddy, M/s Raghuram Cements Limited, J.J.Reddy, V.D.Rajgopal and S.Shankar Narayana committed offences U/s 120-B, 420 IPC and Sec. 13(2) r/w 13 (1) (d) of P.C Act-1988.

30. And, whereas, Sri S.Shankar Narayana, Assistant Director of Mines and Geology Yerraguntla has mentioned that "It is observed that both the applicants have applied for same area and extent". "The 2nd application of M/s Saraswati Power and Industries (P) Limited may be recommended for rejection as overlapping with that of earlier application". The aforesaid contention is also incorrect. Generally they should be submitted at least with some gap. In this case except giving serial Nos.2555 and 2556, the Assistant Director of Mines and Geology office has not maintained any difference. The Assistant Director of Mines and Geology has not mentioned the time of receipt of applications. Sri J.J.Reddy, in pursuance of the criminal conspiracy, has directly submitted both the applications to the Assistant Director of Mines and Geology Sri S.Shankar Narayana who has affixed his signature on both the applications. Since Sri S.Shankar Narayana has received both the applications at a time, the question of overlapping does not arise. Hence, the said pretext is not correct. The overlapping aspect is not applicable in respect of the application of Saraswati Power, in the absence of the said gap or time mechanism.

31. And, whereas, for all reasons, the applications of M/s Raghuram Cements should not be considered since M/s.Raghuram Cements Limited had blocked the Malepadu Limestone Reserve area, again submitted Mining Lease application for T.Sunkesula area even though their Malepadu area Prospecting Licence and Mining Lease applications are pending. Though M/s.Raghuram Cements Limited is not supposed to submit ML application when the area was specified for Prospecting Licence applications, it has not submitted Prospecting Report. The Exploration Report of Gujarat Ambuja Cements Limited was used by the Raghuram Cements Limited. It has submitted the Raghuram Cements Limited application without any date / time gap between the application of SIPL. Fresh notification or fresh application should have been called for. However, Sri S.Shankar Narayana in pursuance of criminal conspiracy dishonestly forwarded his recommendation for grant of Mining Lease in favour of M/s Raghuram Cements Limited by mentioning by rejecting the application of M/s SIPL on flimsy grounds mentioned above.

32. And, whereas, M/s Raghuram Cements and Minerals Limited (during the tenure of Smt.C.Kasturi Bai, Managing Director) applied for grant of Prospecting License for limestone reserve area and was granted the same vide G.O No.71 dated.29.01.2000 over an extent of 9.3002 sq.kms. in Sy.No.1 to 259 etc. of Malepadu Village, Yerraguntla Mandal, Kadapa District. It has not extensions from time to time. Hence the Prospecting Licence is in live condition. However, Raghuram Cements Private Limited (after the name of M/s Raghuram Cements and Minerals Limited changed as Raghuram Cements Private Limited) applied for mining lease and the same is under process.

33. And, whereas, Sri S.Shankar Narayana, Assistant Director of Mines and Geology dishonestly and fraudulently has mentioned in the combined proposal submitted to Director of Mines and Geology, Hyderabad that "Further as per the records M/s Raghuram Cements Limited, was previously granted Prospecting Licence for Limestone over an extent of 9.3 Sq.Kms. for which the company has filed applications for grant of Mining Lease after prospecting the area. The same is under process and is pending for want of certain particulars. The mention of "After prospecting the area" is not correct. Investigation disclosed that M/s Raghuram Cements and Minerals Limited / Raghuram Cements Private Limited has not at all submitted the prospecting report till 2007.

34. And, whereas, the Government while rejecting the renewal application of M/s Gujarat Ambuja Cements Limited vide Memo. Dt 31.10.2005 mentioned that "it is under

36. And, whereas, it is M/s Raghuram Cements and Minerals Limited, (RCML) /Raghuram Cements Ltd., (RCL), which has blocked the limestone area of Malepadu from 2000 to 2008. It has not submitted prospecting report till 21.11.2007. Still it has applied for mining lease on 28.04.2005, which was processed by the Director of Mines and Geology Department. On its own it has submitted withdrawal application on 04.06.2008, which was considered by the Government during July, 2008 and treated as withdrawn.
37. And, whereas, even though M/s Raghuram Cements and Minerals Limited/ Raghuram Cements Limited was holding Prospecting License of the said Malepadu area and applied for Mining Lease on 28.04.2005, after the entry of Sri J.J.Reddy, at the instance of Sri Y.S.Jagan Mohan Reddy only, it has applied for Mining Lease for T.Sunkesula area without prospecting and submitting the prospecting report of the said T.Sunkesula etc area. Even then, the officials of Director of Mines and Geology and Industries and Commerce (Mines.III) Department in pursuance of the criminal conspiracy hatched with Late Y.S.Rajasekhara Reddy at his instance, have granted Mining lease in favour of M/s Raghuram Cements Limited vide GO. No.95, dated.27.03.2006. The aforesaid facts also disclosed that Sri B.Kripanandam vide Memo. dt.31.10.2005 with criminal intention rejected the renewal application of M/s Gujarat Ambuja Cements Limited, only in order to cause wrongful gain to M/s Raghuram Cements Limited (represented through Sri J.J.Reddy of Sri Y.S.Jagan Mohan Reddy, who is the son of Late Y.S.Rajasekhara Reddy.
38. And, whereas, in respect of Prospecting License matter of M/s Gujarat Ambuja Cements Limited, the PL application was not at all renewed and rejected by the Director of Mines and Geology/Secretariat without merits. Sri S.Shankar Narayana dishonestly and fraudulently in pursuance of criminal conspiracy made false representation in the said report. Thereby Sri S.Shankar Narayana, Assistant Director of Mines and Geology, V.D.Rajgopal, the then Director of Mines and Geology and B.Kripanandam, the then Secretary representing Assistant Director of Mines and Geology, Director of Mines and Geology & Industries and Commerce (Mines.III) Departments respectively, in pursuance of criminal conspiracy have caused wrongful gain, in the said manner, in favour of M/s.Raghuram Cements Limited represented by Sri Y.S.Jagan Mohan Reddy and J.J.Reddy. They have violated the MC Rules-1960. They have followed dual standards in respect of M/s. Gujarat Ambuja Cements Limited and M/s.Raghuram Cements Limited.
39. And, whereas, Sri S.Shankar Narayana Assistant Director of Mines and Geology, Yerraguntla in his report on combined proposal has mentioned "As per the exploration report of M/s Gujarat Ambuja Cements Limited, the total estimated reserves are to the tune of 144.06 million tones.
40. And, whereas, Investigation disclosed that the report of M/s Gujarat Ambuja Cements Limited pertaining to limestone deposit in T.Sunkesula villages etc. area of kadapa district and map enclosed to the report are internal ones of M/s. Gujarat Ambuja Cements Limited. The company has submitted the said report and map to Assistant Director of Mines and Geology office while corresponding in connection with Prospecting Licence matter of T.Sunkesula area. However the said internal report was used by M/s Raghuram Cements Limited. From the aforesaid facts, it establishes that Raghuram Cements Limited/ Assistant Director of Mines and Geology office have fraudulently used the said internal report to get the mining lease in their favour.
41. And, whereas, Sri V.D.Rajgopal and B.Kripanandam has rejected Prospecting Licence renewal application of M/s. Gujarat Ambuja Cements Limited on the ground that the company has not completed the prospecting work. Whereas, on the other hand the Government has accepted Gujarat Ambuja Cements Limited report enclosed for Raghuram Cements Limited matter. It speaks of the double standards / fraudulently act of the Government Sri S.Shankar Narayana, Assistant Director of Mines and Geology, Yerraguntla, has not asked Raghuram Cements Limited regarding their prospecting of the said area. Sri S.Shankar Narayana in pursuance of the criminal conspiracy dishonestly and fraudulently and as per the request of Sri J.J.Reddy has enclosed the exploration report of M/s. Gujarat Ambuja Cements Limited to the Mining Lease Application of M/s Raghuram Cements

44. And, whereas, Sri V.D.Rajgopal should have mentioned about the Rules 54 of M Rules, 1960 (limitation period) and waited till 30.01.2006 or so since he is aware of the NMDR Act and MC Rules and the competent authority to take decision regarding recommendation for grant of Prospecting License/Mining Lease matters etc. Sri V.D.Rajgopal vide his noting dated 12.01.2006 has mentioned that the application may be considered subject to the condition that the applicant shall establish the cement unit within 3 years. Sri V.D.Rajgopal, being the competent authority has not mentioned anything about the limitation period of Revision Application matter. Since rule 54 provides relief by way of 3 months limitation period to file Revision Application, to the aggrieved party (in this case M/s. Gujarat Ambuja Cements Limited), Sri V.D.Rajgopal the then Director of Mines Geology should have waited till the expiry of the limitation period for forwarding the application of M/s Raghuram Cements Limited (Raghuram Cements Limited) to the Secretariat for grant or otherwise. Sri V.D.Rajgopal, the then Director Mines Geology has directly dealt with the matter. Sri V.D.Rajgopal in abuse of his official position as Public Servant has committed criminal misconduct by conniving with Sri S.Shankar Narayana, Sri Y.S.Jagan Mohan Reddy, M/s Raghuram Cements Limited and Sri J.J.Reddy.

45. And, whereas, on receipt of the checklist and the proposal from the Director of Mines and Geology office, the matter was dealt in the Industries and Commerce (Mines.III - Mining Section) Department, Memo. No.676, dated.15.02.2006 was issued by Sri B.Kripanandan, Secretary in favour of M/s Raghuram Cements Limited informing grant of Mining Lease for Limestone over an extent of 2037.52 acres. M/s Raghuram Cements Limited was requested to submit the Mining plan approved by the Indian Bureau of Mines through the Director of Mines and Geology within period of 6 months from the date of receipt of this Memo.

46. And, whereas, the Director (Mines) of Ministry of Mines, New Delhi is the Revisional Authority has got Quasi-Judicial Authority to deal with Revision Applications. M/s Gujarat Ambuja Cements Limited which was an aggrieved party due to the cancellation of their prospective licence renewal application by the Government of Andhra Pradesh vide Memo. dt.31.10.2005, has preferred a Revision before the Revisional Authority i.e. Director (Mines), Ministry of Mines, New Delhi is the Revisional Application with enclosures dt.27.01.2006 within the limitation period of three (3) months.

47. And, whereas, the Revisional Authority vide letter dt.20.02.2006 has forwarded to the Secretary, Government of Andhra Pradesh and copy to M/s Gujarat Ambuja Cements Limited asking to send para wise comments. M/s Gujarat Ambuja Cements Limited submitted application through its advocate, vide dt.21.02.2006 requesting for stay under Rule:55 on State Government Order, dt.31.10.2005. Lr. No.2(2)2005-RC-II, dt.27.02.2006 was forwarded to the Secretary, Government of Andhra Pradesh, Hyderabad and copies to the parties concerned informing fixing of stay matter hearing to 13.03.2006 to hear to Stay Matter of Gujarat Ambuja Cements Limited. The hearing could not be held on 13.03.2006 and was adjourned to 30.03.2006.

48. And, whereas, on 30.03.2006, the Revisional Authority i.e Director (Mines) has conducted the stay matter hearing. Due to the contention of the State Government regarding receipt of two applications and its process, the Director (Mines) has passed the Interim Order vide signature dated.12.04.2006 (for the stay hearing dated.30.03.2006) to the effect that "State Government may process the applications received against the notification for grant of mining lease but execution of the mining lease may be kept pending till the pendency of Revision Application before the Tribunal".

49. And, whereas, the Mines-III Department was in receipt of letter dt.27.02.2006 of the Ministry of Mines regarding fixing of stay matter hearing date in the matters including M/s. Gujarat Ambuja Cements Limited on 13th March 2006 in New Delhi. The said department in turn has forwarded the same to the Director of Mines and Geology office. The then Director of Mines and Geology Sri V.D.Rajgopal has addressed letters to the Secretary, General Administration Department and Industries and Commerce regarding accommodation and the attendance of Sri B.R.V.Susheel Kumar, Joint Director to attend the hearing in New Delhi.

55. And, whereas, Sri J.J.Reddy vide his letter dt.24.03.2006 has submitted the Approved Mining Plan along with letter dt.23.03.2006 of Sri V.M.Prabhushettar, RCOM & OIC (SZ) in the Director of Mines and Geology office. It was dealt in the file vide note sheet dated 24.03.2006 with a recommendation for grant of Mining Lease for Limestone in favour of Raghuram Cements. The noting has got the approval of Sri V.D.Rajgopal, Director of Mines and Geology who has affixed his signature. The recommendation was forwarded to the Secretariat (Mines.III Department) and was received on 25.03.2006.
56. And, whereas, the Revision Application matter is not available in this file (GO No.95). No information is available in this file about the stay or otherwise in the matter of the above Revision Application. The noting does not reflect the correct information since there is no mention about either stay or absence of stay on the Revision Application.
57. And, whereas, there is much significance for the issuance of G.O No.95, dt. 27.03.2006 prior to the stay hearing dt.30.03.2006. The noting shows that by 10.03.2006, the Director of Mines and Geology office was aware of the stay matter hearing schedules to be held on 13.03.2006. Sri V.D.Rajgopal and B.Kripanandam were aware of the Revision Application dated.27.01.2006 filed by M/s Gujarat Ambuja Cements Limited in the Ministry since the Ministry of Mines vide letter dated.20.02.2006 has asked the Secretary for para-wise comments of the State Government. Sri V.D.Rajgopal & B.Kripanandam could have waited in Issuing G.O in favour of M/s Raghuram Cements Limited in granting the Mining Lease for Limestone area of T.Sunkesula village etc., had they forwarded the para-wise comments or attended the hearing on 13.03.2006.
58. And, whereas, the aforesaid noting dt.27.03.2006, was put up by Section vide dt.27.03.2006. Sri B.Kripanandam, Secretary has seen the said noting under his signatures dt.27.03.2006. Sri B.Kripanandam issued G.O. No.95 dt. 27.03.2006 granting Mining Lease for Limestone over an extent of 2037.52 acres in Sy.No.251 to 231 etc. of T.Sunkesula Village etc. in favour of M/S Raghuram Cements Limited for a period of 30 years without sending the same to the Minister for approval prior to its issuance.
59. And, whereas, Sri B. Kripanandam (IAS), in pursuance of the criminal conspiracy with other accused persons, issued the conditional G.O in favour of M/s Raghuram Cements Limited by concealing the factual information and thereby caused wrongful gain by granting mining lease for limestone even though the stay hearing matter and disposal of Revision Application are pending before the Revisional Authority. The cancellation of Prospecting Licence of Gujarat Ambuja Cements Limited, issuance of Gazette Notification, acceptance of Mining Lease application of M/s Raghuram Cements Limited, issuance of Memo for grant of Mining Lease, obtaining of Approved Mining plan and issuance of conditional GO during the pendency of Revision Application are against the rules.
60. And, whereas, Sri J.J. Reddy has addressed letter dated 28.03.2006 to the Director of Mines and Geology, Hyderabad requesting for execution of the Mining Lease Deed. M/s Raghuram Cements Limited has not all applied for any loans and no loan application is pending before any financial institution as on 28.03.2006 and no resolution regarding approach of Raghuram Cements Limited to the financial institution as on 28.03.2006 and no resolution regarding approach of Raghuram Cements Limited to the financial institution was passed during any of the board meeting between 10.3.2006 & 02.08.2006. Hence, the aforesaid letter dated 28.03.2006 addressed by Sri J.J. Reddy to Director of Mines and Geology citing the reason of submitting the copy of executed Mining Lease Deed to the financial institution before 31st March 2006 is false.
61. And, whereas, Sri J.J.Reddy has addressed letter dt. 29.03.2006 to the Assistant Director of Mines and Geology, Yarraguntla Sri S.Shankar Narayana has requested for execution of Mining Lease Deed who has executed the same vide proceedings at.29.03.2006 and without the approval of the higher authorities. The contents of the aforesaid two letters submitted at Director of Mines and Geology office Hyderabad and Assistant Director of Mines and Geology office Yerraguntla are different.

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misrepresentation and issuance of G.O. No.95 by the Secretary Sri B.Kripanandam without the approval of the Minister (Mines). The para-wise comments/Revisional Remarks of the Director of Mines and Geology office claimed to have been forwarded to the Ministry on 06.04.2006 were also not prior to the hearing date 30.03.2006. Sri V.D.Rajagopal, vide his letter dt.27.05.2006 has mentioned that M/s Raghuram Cements Limited has executed the mining lease on 29.03.2006 which was prior to the Interim Orders issued by the Revisional Authority. He has also enclosed photocopies of G.O-95 issued by Sri B.Kripanandam.

51. And, whereas, the Revisional Authority was not aware of the execution of the mining lease already on 29.03.2006 as in the revision remarks also, there was no mention about the execution of the mining lease deed in favour of Raghuram Cements Limited on 29.03.2006. Sri V.D.Rajagopal, vide letter dt.27.05.2006 has admitted that M/s.Raghuram Cements Ltd had executed the mining lease deed before the Assistant Director of Mines and Geology, Yarraguntla on 29.03.2006. However, the Director of Mines and Geology has not mentioned in the revision remarks about the execution of the mining lease deed on 29.03.2006, when the same were purported to have been sent on 10.04.2006 as mentioned by him in his letter dated 27.05.2006. Had he mentioned about the execution of the Mining Lease by M/s Raghuram Cements Limited on 29.03.2006 itself, the Ministry of Mines would have noted the same in the Interim dated 12.04.2006.

52. And, whereas, the contention of the State Government regarding receipt of two applications for mining lease is misleading/misrepresenting since the Government had already granted mining lease in favor of M/s Raghuram Cements Limited, vide G.O. Ms. No. 95 dt. 27-03-2006 and M/s Raghuram Cements Limited executed the mining lease deed on 29-03-2006 which are prior to the stay matter hearing dated 30-03-2006. Sri B.Kripanandam, Secretary of the State Government also has not informed the issuance of G.O on 27-03-2006 nor execution of the lease deed on 29-03-2006, by the state hearing dated 30-03-2006. Thereby Sri V.D. Rajagopal and B.Kripanandam Secretary of the State Government kept the central Government groping in the dark by not revealing exact/correct position in the matter for deciding stay matter in this case. Sri V.D.Rajagopal and Sri B.Kripanandam in pursuance of the criminal conspiracy with Sri Y.S.Jagan Mohan Reddy and J.J.Reddy and M/s Raghuram Cements Limited had cheated the Revisional Authority to Ministry of Mines in the matter of execution of mining lease deed by suppressing the material facts. They have caused wrongful gain to M/s Raghuram Cements Limited represented Sri Y.S.Jagan Mohan Reddy and Sri J.J.Reddy.

53. And, whereas, M/s Raghuram Cements Limited vide letter dt.21.02.2006 submitted mining plan to the Regional Controller of Mines, Hyderabad. Sri B.Ram Mohan, Dy. COM and B.V.Rao, SMG have conducted filed inspection and visited the limestone mining area situated at Nallalingayapalli etc., and submitted scrutiny comments on examination of mining plan. The then RCOM vide Lr. Dt.08.03.2006 has forwarded the mining plan with scrutiny comments to the Controller of Mines (SZ), IBM, Bangalore. The RCOM (SZ) Bangalore vide his letter dt.16.03.2006 has informed to M/s RCL to get the deficiencies rectified and submit 5 bound copies of the mining plan within 30 days. Sri J.J.Reddy vide his letter dated 22.03.2006 submitted 5 bound copies of mining plan after rectifying certain deficiencies observed by RCOM. Sri V.M.Prabhushettar vide his signature dated 23.03.2006 has signed the letter dated 23/24.03.2006. M/s Raghuram Cements Limited has received the copies of Approved Mining Plan with approved letter. Sri V.M.Prabhushettar in pursuance of the criminal conspiracy with Sri J.J.Reddy, M/s Raghuram Cements Limited had acted dishonestly in the matter of approval of the mining plan of M/s Raghuram Cements Limited when the deficiencies were not rectified fully. Sri V.M.Prabhushettar had paved way for M/s Raghuram Cements Limited for getting the Mining Lease from the Government of Andhra Pradesh by enabling M/s Raghuram Cements Limited in submitting the Mining Plan with deficiencies. Sri V.M.Prabhushettar failed in performing his duty as Public Servant. Sri V.M.Prabhushettar being the Public Servant and competent authority to approved the Mining Plan, cheated the Government. He approved the Mining Plan of Raghuram Cements Limited with deficiencies at an unwarranted pace in a day.

54. And, whereas, Sri B.Kripanandam (IAS), in pursuance of the criminal conspiracy with other accused persons, Issued the conditional GO in favour of M/s Raghuram Cements

63. And, whereas, during Jan 2006 Sri J.J.Reddy had joined as Director of M/s Raghuram Cements Limited, M/s Raghuram Cements Limited has got grant of Mining Lease (ML) of the said T.Sunkesula Village etc. for limestone reserve of 2037.52 acres area vide G.O. No.95 dated 27.03.2006. The entire correspondence including Mining Lease grant matter and execution of lease deed dated 29.03.2006 by the Raghuram Cements Limited with the Government of Andhra Pradesh was done by Sri J.J.Reddy who is the conduit of Sri Y.S.Jagan Mohan Reddy, and the latter has eyed on the limestone reserve area of T. Sunkesula village etc area since the area has got the advantages as mentioned above. Sri Y.S.Jagan Mohan Reddy has got the same, through his henchman Sri J.J.Reddy with the aforesaid dishonest and fraudulent acts.

64. And, whereas, Sri Y.S.Jagan Mohan Reddy and Sri J.J.Reddy in the aforesaid fraudulent deal pertaining to obtaining of grants of Mining Lease of limestone reserve area of 2037.52 acres from the Government of Andhra Pradesh by ensuring rejection of renewal of Prospecting Licence of Gujarat Ambuja Cements Limited and by resorting other fraudulent criminal misconduct acts. By conniving with other accused persons by receiving ill gotten amount had set up cement plant in the name of Raghuram Cements Limited/Bharathi Cement Corporation Private Limited. The accused persons obtained all the wrongful gains without any investment of their own. The accused persons enabled Sri Y.S.Jagan Mohan Reddy to become rich and amass huge disproportionate Asset of shares in M/S.Raghuram Cements Limited/ Bharathi Cement Corporation Private Limited.

65. And, whereas, Sri Y.S.Jagan Mohan Reddy and Sri J.J.Reddy have become rich by receiving Rs.416.20 Crores and Rs.0.67 Crores respectively by selling their shares of M/s Raghuram Cements Limited/ Bharathi Cement Corporation Private Limited to M/S perficim (A French multinational company). In addition, Sri Y.S.Jagan Mohan Reddy has become rich to the tune of Rs.4,551 Crores. Sri Y.S.Jagan Mohan Reddy, M/s. Raghuram Cements Limited Sri J.J.Reddy representing M/s.Raghuram Cements Limited and Silicon Builders Limited have obtained the aforesaid wrongful gain to the tune of nearly Rs.5068 Crores, in M/s Raghuram Cements Limited/Bharathi Cement Corporation Private Limited Smt.Y.S.Bharathi Reddy and Sri J.J.Reddy are also beneficiaries of the said wrongful gain, since they are in receipt of remuneration from the said company in view of their association as Directors. Sri Y.S.Jagan Mohan Reddy by conniving with other accused persons setup Cement Industry in the name of M/s.Raghuram Cements Ltd., and enriched himself and his said Raghuram Cements Limited Company on the said wrongful gains.

66. And, whereas, Sri Y.S.Jagan Mohan Reddy, Sri V.Vijay Sai Reddy, M/s Raghuram Cements Limited represented by Y.S.Jagan Mohan Reddy and J.J.Reddy, V.D.Gopal, V.M.Prabhushettar, B.Kripanandam and S.Shankar Narayana have committed criminal misconduct in connection with the aforesaid matter. They committed offences punishable u/s 120-B, & 420 of the IPC and u/s 13 (2) r/w 13 (1) (d) of the P.C Act, 1988.


67. And, whereas, Sri S.Shankar Narayana, the then Assistant Director of mines and Geology, Yerraguntla was responsible for issuance of Gazette Notification dt.21.11.2005 in violation of Rules, in pursuance of criminal conspiracy entered with Sri J.J.Reddy, Sri Y.S.Jagan Mohan Reddy (through Sri J.J.Reddy, M/s Raghuram Cements Limited, Sri V.D.Rajgopal, accepted the applications of M/s Raghuram Cements Limited and M/s SIPL who applied for Mining Lease though the notification is for prospecting licence, got in touch with Sri J.J.Reddy directly, submitted false combined report with false contents in respect of prospecting area of T.Sunkesula, Limestone reserve area matter, Malepadu Limestone reserve area matter, mention of overlapping aspect, enclosing of the report of M/s Gujarat Ambuja Cements Limited to the application of M/s Raghuram Cements Limited, execution of Mining Lease Deed in favour of M/s Raghuram Cements Limited on the basis of letter of Sri J.J.Reddy and etc matters. Sri S.Shankar Narayana thereby played his role in grant of Mining Lease in favour of M/s Raghuram Cements Limited against the rules. Sri S.Shankar Narayana has also played his part and enabled Sri Y.S.Jagan Mohan Reddy (Rs.416 Crores) M/s Raghuram Cements Limited (Rs.4651 Crores) and Sri J.J.Reddy (Rs.67 Lakhs) to become rich to the tune of nearly Rs.5,068 Crores.

68. And, whereas, Sri S.Shankar Narayana, the then Assistant Director of Mines and Geology, Yerraguntla in pursuance of the criminal conspiracy, with dishonest, fraudulent intention was responsible in causing wrongful gain to M/s Raghuram Cements Limited by conniving with Y.S.Jagan Mohan Reddy, M/s Raghuram Cements Limited, Sri J.J.Reddy and

70. And, whereas the Government of Andhra Pradesh being the competent authority to remove Sri S.Shankar Narayana, the then Assistant Director of Mines and Geology, Yerraguntla from service, after fully and carefully examining the documents viz, copy of FIR, Assistant Director of Mines and Geology files etc., statements of witnesses and other relevant material, placed before them in respect of the aforesaid allegations and having regard to the facts and circumstances of the case consider that the above said Sri S.Shankar Narayana, the then Assistant Director of Mines and Geology, Yerraguntla, Office of the Director of Mines and Geology, Andhra Pradesh, Hyderabad should be Prosecuted in the Court of Law for the above said offences.

71. Now, therefore, in exercise of the powers conferred by Clause (b) of Sub-Section (1) of Section 19 of the Prevention of Corruption Act, 1988 and Section 197 of the Code of Criminal Procedure, 1973, the Government of Andhra Pradesh hereby accord sanction for the prosecution of the said Sri S.Shankar Narayana, the then Assistant Director of Mines and Geology, Yerraguntla, Kadapa District, Office of the Director of Mines and Geology, Andhra Pradesh, Hyderabad for the aforesaid offenses punishable under Sub-Section (2) of Section 13 read with Clause (d) of Sub-Section (1) of Section 13 of the Prevention of Corruption Act, 1988 and Sections 120 B, and 420 of the Indian Penal Code, 1860 and for any other cognate offences punishable under any other provisions of law for the time being in force in respect of the above said acts and for taking cognizance of the said offences by a Court of competent jurisdiction.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)



(K. PRADEEP CHANDRA)

PRINCIPAL SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
The Director,
Central Bureau of Investigation,
Government of India,
27, North Block,
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